



LEHIGH

UNIVERSITY®

Policy Number: 102 (consolidation of policy 102, 103, 107)
Effective Date: circa 1990
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Applicability: All Purchases and Contracts

PURCHASING POLICY PERTAINING TO THE PROCUREMENT OF GOODS & SERVICES

Purpose:

To provide parameters related to appropriate supplier engagement, expectations regarding pricing and equal opportunity, and define approved methods of procuring goods and services for the University.

Policy:

SELECTION OF SUPPLIERS

Purchasing Services is responsible for selecting and approving sources of supply. Purchasing Services selects potential suppliers based upon their ability to serve the needs of the University in a safe, economical and efficient manner on a continuing basis. Important factors in supplier selection include past performance of suppliers and cooperation with the University.

Purchasing Services is committed to maintaining multiple sources of supply, including small, local, women-owned, disadvantaged and minority suppliers. Whenever possible, Purchasing will seek and consider more than one source. Purchasing prefers to maintain alternate or multiple sources of supply as a means of ensuring good value, performance, and service, and minimizing costs.

Requisitioners are encouraged to suggest sources of supply, particularly for unusual or non-standard items. Purchasing will follow a department's recommendation as much as possible. If a department requests a specific supplier with no substitutions, the department must provide adequate "sole source" justification on the requisition form for Purchasing's consideration.

EQUAL OPPORTUNITY

Suppliers doing business with Lehigh University are expected to be in full compliance with all applicable federal and state laws, rules, regulations and executive orders relating to non-discrimination, equal employment opportunity, and affirmative action. Neither the University nor its suppliers shall discriminate in either the provision of services, or in employment, against any person based on age, color, disability, gender identity or expression, genetic information, marital or familial status, national or ethnic origin, race, religion, sex, sexual orientation, or veteran status. The University will attempt, when possible, to purchase goods and services from small business concerns, especially those owned and controlled by socially and economically disadvantaged individuals. The University is committed to use available local resources.

CONFIDENTIALITY OF PRICES

Pricing information solicited from suppliers is considered to be confidential and shall not be revealed to any other supplier or person. All University employees are responsible for conducting themselves with high ethical standards regarding pricing and supplier information.

The University is not responsible for the security of unsolicited information given to Purchasing by suppliers. However, the University will exercise normal diligence so that such information is not willfully used in a manner harmful to the supplier.

COMPETITIVE BIDDING

The University will generally receive greater discounts, service, and overall value through competitive bidding. Competitive bidding is required for all purchases \$10,000 or over, except as noted below. The Requisitioner is responsible for contacting a minimum of three suppliers to obtain competitive bids for the materials or services needed. Bids must be submitted to Purchasing with the requisition. The requisitioning department should contact Purchasing for assistance if unsure about procedure.

Competitive bidding is not required for requests of \$10,000 or greater when one or more of the follow circumstances exists:

- a. Bids have recently (within the previous 12 months) been received for the exact same items or service and the bids are still valid.
- b. Item is a University standard (furniture, computers, etc.).
- c. The item must be purchased from a sole source distributor or manufacturer, meaning it cannot be purchased from another supplier. Sole source justification is required.
- d. There is other justification for not soliciting competitive bids (memo of explanation must be provided).
- e. Item or service is purchased at University auxiliary business operation such as Dining Services, Mountain Hawk Design & Printer Center, or the Lehigh University Bookstore.

Purchasing has the right and responsibility to question and to require sole source justification regarding supplier selection.

PURCHASES UNDER \$10,000

Competitive bidding:	Not required
Procedural methods:	OneCard (up to card limits) Blanket Purchase Orders/Blanket Order Release Form

PURCHASES \$10,000 OR OVER

Competitive Bidding:	Required
Procedural method:	Purchase Order

CAPITAL EQUIPMENT \$5,000 OR OVER

Purchase Orders must be used for capital equipment purchases \$5,000 or over.

PROFESSIONAL SERVICES \$5,000 OR OVER

Professional services \$5,000 or over (such as consulting services, construction, etc.) require the issuance of a Purchase Order and, if necessary, an appropriate contract created by Purchasing Services. Part of the contract process includes determining if the consultant should be classified as an independent contractor or an employee. Purchasing will involve the Controller's Office if the classification is not clearly that of independent contractor.

ONECARD

The OneCard Program provides an alternate, cost-effective and efficient method of purchasing and paying for smaller dollar transactions. The card can be used to replace other purchasing processes including Blanket Orders and petty cash.

Benefits of OneCard include:

- Faster order placement
- Reduces the number of purchasing forms and processes
- Reduces the use of personal funds for University business transactions
- Reduces the number of reimbursements

For additional OneCard information, see the Purchasing website and the OneCard Policies and Procedures for more information (<http://www.lehigh.edu/~inubs/purchasing/WFBOneCard.shtml>).

MAINTENANCE ORDERS

Contracts for maintenance service on University-owned equipment must be covered by a Maintenance Order. Contract documents should accompany the Maintenance Order and be attached to the requisition when submitted via Unimarket. The Requisitioner should not sign the supplier's contract documents. Blanket Order or OneCard are not to be used to initiate maintenance contracts.

Maintenance Orders are for a fixed amount and are encumbered upon creation. Invoices for annual maintenance agreements will be paid in advance by the Accounts Payable Department when received, as long as the invoice terms agree with the Maintenance Order. No receiving report or payment approval is required.

RESEARCH GRANTS AND CONTRACTS

Requisitions for purchases of \$2,000 or more against research indexes (indexes ranging between 529000-592999 or 610500 – 611499) must be approved by the Office of Research and Sponsored Programs (ORSP). Requisitions submitted to Unimarket with these indexes will automatically route to ORSP for approval prior to routing to Purchasing Services.

It is important that the University complies with rules and regulations in the Office of Management & Budget (OMB) *Uniform Administrative Requirements, Cost Principles & Audit Requirements for Federal Awards* – 2 CFR 200 regarding competitive bidding requirements and bidding thresholds when purchasing equipment or supplies against research grants or contracts. In order to minimize any potential delay to a Principal Investigator (PI), the competitive bidding process may be initiated prior to receiving formal notification of the grant or contract from the sponsoring agency with prior approval from ORSP. If an item is to be purchased from a sole source supplier, the PI must provide sole source justification. Please note that a quote provided as part of a proposal is used to satisfy the "reasonableness" test related to the funding request. Selection of that proposal for funding does NOT equate to the federal agency's sole source approval of the specific makes and models of quoted equipment - competitive bidding must still be performed.

Under the requirements of the OMB Regulations, 2 CFR 200.317(d), existing equipment must be screened to

determine availability for use prior to purchasing new equipment. The PI is responsible for ensuring that the equipment screening process is followed. If the equipment is not available on campus, the PI must complete the Equipment Screening Certification (ESC).

PURCHASE ORDER ACCURACY

It is the Requisitioner's responsibility to ensure the accuracy of the data on requisitions submitted to Unimarket. If there are any errors, the Requisitioner must contact Purchasing Services as soon as possible so the appropriate corrective action(s) can be taken. Purchasing will not be responsible for any incorrect information on the requisition or corresponding purchase order.

There are several types of expenditures that do not require purchase order authorization. Payment for these goods and services should be authorized by submitting a Payment Approval Form to the Accounts Payable Department or by use of the OneCard program. Consult the Purchasing Manual for a list of these goods and services.

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